

# December Articles & Reports Roundup

Happy New Year! The December Roundup is here to help you ease into work and make sure you did not miss anything during all the holiday festivities!

We will first highlight a few articles on the role of competition and antitrust enforcement in controlling healthcare costs. If you read one article this month, have it be this one. In the December 11<sup>th</sup> issue of the New England Journal of Medicine, Edith Ramirez, Chair of the Federal Trade Commission, published [\*Antitrust Enforcement in Health Care—Controlling Costs, Improving Quality\*](#). In this article, Ramirez argues that antitrust enforcement is essential to the functioning of both the health care market and, in turn, the overarching goals of the Affordable Care Act. She claims that competition will lead to lower costs and improved quality in healthcare, but only if the increasing trends toward consolidation are kept in check. She defends the FTC's intervention in recent health care mergers, like ProMedica v. FTC in Ohio and FTC v. St. Luke's Hospital System in Idaho, as both promoting cost control and quality improvement. Further, Ramirez argues that the use of the state action exemptions from federal and state antitrust laws in the health care arena to promote the goals of the ACA represents a misunderstanding of the importance of competition to the overall functioning of the act. In the end, Ramirez concludes with a firm endorsement of the goals of the ACA and an acknowledgement that healthcare integration can lead to a reduction in costs and improvements in quality, but only within the context of a competitive market.

In contrast, Liam O'Neill published [\*If More Competition is the Answer, Why Hasn't it Worked?\*](#) in the January issue of Anesthesia and Analgesics (available online in December), which discusses a study by Glick et al., [\*The Relationship Between Competition and Quality in Procedural Cardiac Care\*](#), that found no evidence that hospitals compete on quality for acute myocardial infarction care and heart valve surgery. In fact, the study found that increased competition correlated with higher Medicare costs, but did not predict higher ratings on quality metrics. O'Neill notes that in the Hospital Compare database the majority of the quality ratings are based

on patient satisfaction scores, which incentivizes hospitals to focus on “low hanging fruit,” like patient parking and other “concierge” type services, rather than addressing more challenging quality concerns. What is clear from these articles is the importance of incentive design and antitrust enforcement in maintaining the delicate balance between promoting the benefits of competition and integration in health care. What is also clear is that we are far from attaining that balance.

On the topic of concierge hospitals, *Vincent Maher, George Priovolos, Elisabeth Maher* published [\*Leadership in healthcare sector. The Case of Branding High-End Private Healthcare Services & Economic, Legal, Marketing and Policy Concerns of Concierge Services in Hospitals\*](#) in The Journal of Management and Leadership. The first part of this article supports O’Neill’s argument that the focus of many concierge hospitals is to focus on competing on patient satisfaction metrics rather than more meaningful quality measures, which are harder for patients to identify and less likely to impact patient choice. The second part of the article focuses on the concierge model as defining the luxury health care option to an increasingly nationalized system of health care in the United States. This article provides an interesting look into the business case for concierge hospital design and practice.

Also in December, The Commonwealth Fund issued a report on [\*National Trends in the Cost of Employer Health Insurance Coverage, 2003-2013\*](#). The report comes on the heels of numerous examinations of the cost of health insurance plans in the exchanges. Its results are sobering, despite decreased growth in health care expenditures in the last few years. Premiums in employer-based plans have gone up 73% over the last decade, while employee contributions have increased 93%. At the same time, deductibles have more than doubled for both large and small firms. Families are paying more and getting less coverage, and these increases are far outpacing growth in income.

Finally, Dale Yamamoto for Red Quill Consulting, Inc. issued [\*An Assessment of the Feasibility and Cost of Replacing In Person Care with Acute Care Telehealth Services\*](#). In this report, Yamamoto analyzes whether Medicare reimbursement for telehealth services would reduce expenditures and concludes that even with the same reimbursement rates as a physician office visit and an increase in utilization, reimbursing telehealth services should save Medicare money by avoiding care in

more costly venues. Yamamoto estimates the savings in the commercial insurance market would be significantly greater due to lower reimbursement rates for telehealth and higher negotiated rates for providers.

That's it for Roundups in 2014. Happy New Year! See you in 2015.